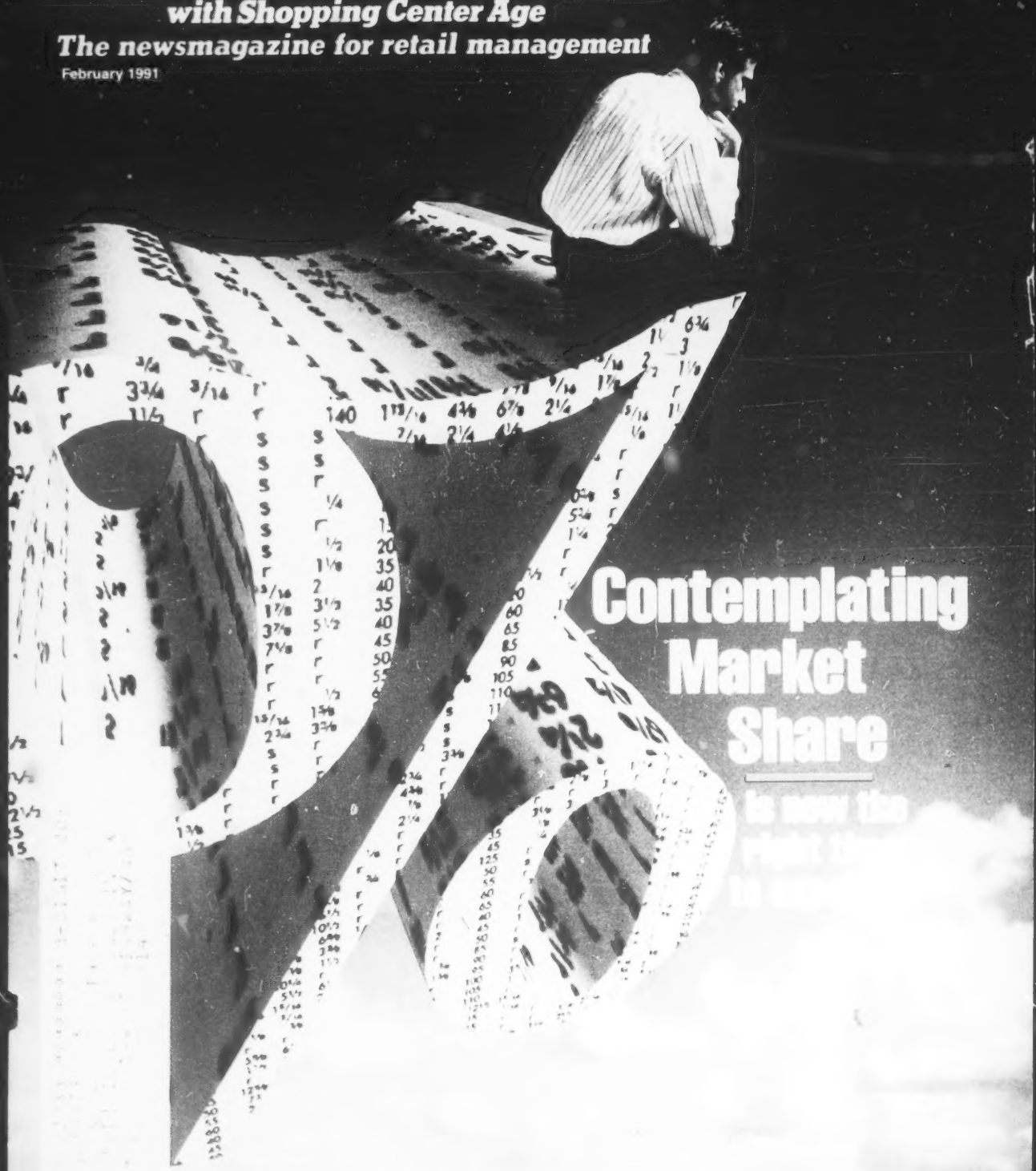
Chain Store Age
EXECUTIVE
with Shopping Center Age
The newsmagazine for retail management
February 1991



Contemplating Market Share

Is now the [illegible]

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***Carnival is able to stock** types of meats that wouldn't be well received in other stores.*

and brains, and pork heads and stomachs. To the uninitiated, many of these items can be disconcerting to view.

Of course, the same might be said of the meat departments in the two black-oriented stores, which are big on such delicacies as pork neck bones and pickled pigs' feet. Otherwise, the major distinguishing features of the black stores is a heavy reliance on private label and off-brand items in the grocery aisles, especially the Hy Top label from Federated Foods.

John Caperton, the director of Carnival Food Stores and widely acknowledged as the man who inspired the project, says the concept has succeeded in increasing sales 30% to 40% at each of the locations, which were all formerly under the Minyard banner.

Caperton, who owned a Mexican food importing business before coming to work at Minyard, says plans are already in the works to convert eight other existing Minyard locations to the Carnival format. Many of these locations are former Safeway units that Minyard acquired when Safeway left the Dallas/Ft. Worth market in 1987.

A major advantage of having a separate nameplate for the stores, as opposed to remerchandising the stores under the Minyard banner, is that the stores "don't have to carry every item in Minyard's weekly co-op circular. All of the advertising can be localized—and, in the case of the two Hispanic stores, written in Spanish," Caperton says.

Another advantage is that "Carnival gives us the freedom to merchandise to ethnic shoppers the way we want. For example, we could never carry beef heads in a Minyard store. Management wouldn't allow it—they would say it's ugly and bad for the company's image."

Caperton concedes that not everything about the conversion has been tranquil. "In the black neighborhoods, there was some backlash at first from black leaders who got upset when we said we were marketing to the neighborhood. They thought we should build big new stores in their areas."

Meanwhile, some non-Hispanic shoppers in predominantly Hispanic neighborhoods were upset by Carnival's Mexican orientation. "The non-Hispanics are about 20% of those stores' customer base," Caperton says. "We had to explain to them that if we didn't change, we could never have stayed in business."

Many surprises were in store for those who merchandised the Hispanic stores. For example, at Minyard's upscale stores in yuppie neighborhoods, the favorite imported beer is Corona, a workingman's brew from Mexico. The assumption was that Corona would be equally popular, if not more so, in the Hispanic Carnival stores.

Not so, says Caperton. The top-selling beer among the Mexican shoppers, overwhelmingly, is good old American Budweiser. ■

—Bruce Fox

WHOLESALE CLUBS MERGE

INDUSTRY GOES BY WAY OF OTHER RETAIL SEGMENTS

It's the same old story, with a new set of characters.

Someone comes up with a new retail concept. When it succeeds, others imitate and adapt the idea.

Once several companies grow large enough, some begin acquiring smaller chains as a shortcut to entering new markets and possibly to eliminate competition. Eventually, the industry is dominated by a handful of large firms.

> Even the acquired firms may not see too many changes.

Department stores have gone through the cycle, as has the discount business. Now the consolidation that has taken place throughout retail is hitting the warehouse/wholesale club industry.

- In November 1990, Bentonville, Ark.-based Wal-Mart agreed to acquire the 27-store Wholesale Club, based in Indianapolis. Wal-Mart already owns Sam's Club, with 141 units.
- In December 1990, Troy, Mich.-based Kmart agreed to acquire Price Savers Wholesale, a 17-store chain based in Salt Lake City. This comes one year after Kmart acquired the 61-store PACE Membership Warehouse chain.

Steady as she goes: A relatively small industry, at least in terms of operating companies, is now getting smaller in terms of ownership. Yet most people in the industry foresee little change in how they operate.

"Obviously, there's been a lot going on recently. That doesn't change our plans. We're going to proceed the way we've been proceeding," says Jim Sinegal, president of Kirkland, Wash.-based Costco. Costco plans to open between 10 and 14 units per year for the next two or three years.

Business as usual also is true of Na-

***B.J.'s Wholesale Club,** a division of Wayband, is a major regional in the northeast.*

Wholesale Club Annual Sales

Company	1990 Sales (000 omitted)	Stores
BJ's	$ 984,580 (1989)	23
Costco	4,059,636	67
PACE	2,200,000*	61
Price Club	5,412,320	61
Price Savers	850,000*	17
Sam's Club	6,500,000*	141
Wholesale Club	569,665 (1989)	27

* estimate
Source: *Chain Store Age Executive Research*

tick, Mass.-based BJ's, says Jane McCahon, manager of investor relations for parent firm Waban. The firm is one of the last "independent" regionals left.

"The consolidation doesn't affect us at all. We're looking to open seven or eight new warehouses in New England," she says.

Even the acquired firms may not see too many changes. Price Savers may retain its name and not be swallowed by PACE, says Orren Knauer, Kmart's director of investor relations.

"The Price Savers operations are marvelous, so we're not too quick to make any changes, not even the name, until we're absolutely sure it's the right thing to do," Knauer says.

Kmart still plans to open between 15 and 20 new PACE stores this year, and to complete the two Price Savers stores under construction at the time of acquisition.

Competition: The consolidation may reduce the competition for individual sites, Sinegal says, since there are now fewer players. "If anything, competition may not intensify at all, but slacken a bit," he says.

But overall, site duplication has not been a problem as acquiring firms have purchased companies that extend their market range. The Price Savers stores are located in the west, while the majority of PACE's outlets are in the east and midwest.

The same is true for Sam's. "The clubs and operations of The Wholesale Club will complement the current operations of Sam's Club Division, and will give us a significant presence in some exciting new markets," said Wal-Mart president David Glass in a prepared statement.

Even if duplication occurred, it wouldn't be much of a problem, says Sol Price, chairman emeritus of The Price Club, San Diego. The parent firm can undoubtedly find another use for the extra store.

It might be just as well. "A lot of chains that are being bought up had outmoded facilities and were not in effectual locations to start with," says Joseph Kornwasser, managing partner of Los Angeles-based developer Kornwasser & Friedman, Price Club's partner in many shopping centers.

Rather than encircling a region, entering new markets appears to be the key to warehouse club expansion. "There seems to be a big premium on being the first warehouse club in a market. That's why the consolidation has been happening," says Stacy Dutton, retail analyst at New York City-based Morgan Stanley.

End of the mergers: But how many more mergers can take place is limited, say observers. There simply aren't many available chains left.

"Waban remains committed to operating BJ's. If they can turn out the kind of numbers their competitors

are, there's no reason why they shouldn't continue as an independent entity. But they only face more competition going forward," Dutton says.

Expansion will be the continuing story, and no one seems sure when it will end. The warehouse/wholesale club is so new that the rules are still being written.

"It has been proven that you can take this concept into some one-store markets. You will see further development of major metro markets and entry into some smaller markets. I don't know if there is a limit at this point," Knauer says.

Wholesale club retailers take the most market share from wholesale distributors, not from other retailers, Dutton observes. Tradition retail site location rules may not apply.

Once the unknown saturation point is hit, the next step still is unclear. Some speculate that acquiring the superstore concepts might be next. But that may be quite a while away.

Office Products and Furniture Warehouse Annual Sales

Company	1989 Sales (000 omitted)	Stores
HQ	$ 38,577	13
Office Depot	314,587	67
Office Club	146,719	32
Staples	181,700	38

Source: *Chain Store Age Executive Research*

"It's not an illogical step, but also not particularly logical. These companies have incredibly attractive opportunities for growth with their existing businesses," Dutton says.

Recession: What may limit growth more than consolidation is the economy. A protracted recession will hurt even the leepest of discounters. Warehouses rely on small businesses, who are particularly hard hit during a slowdown.

"This slowdown eventually will mean a slowdown for everybody. One could argue that because of our pricing structure and because we're as basic as we are, we would tend to be a bit more recession-proof than most. I don't know if that's necessarily true. If times are bad, we are going to feel the effects somewhere," Sinegal says.

The current economic environment is just the kind of test all retailers have to face, and is simply another factor in the cycle.

"When you have a new format, you'll have a number of companies wanting to take advantage of it. Ultimately, the weaker companies go by the wayside or are bought by other firms," Kornwasser says.

"That's how things go. [Stores] get born, they mature and they die," says Price. ■

—Debra Hazel

***Indianapolis-based Wholesale Club** is in the process of being acquired by Wal-Mart.*

WHOLESALE CLUBS NOT THE ONLY CONSOLIDATION IN TOWN

Merging and acquiring is not limited to the general merchandise warehouse stores. The burgeoning office club industry is now getting into the act.

Boca Raton, Fla.-based Office Depot has entered into a merger agreement with Office Club, San Francisco.

Expanding in California also is a motivation for another industry merger. Newton, Mass.-based Staples has announced that it will acquire nine Los Angeles area HQ Office Supplies Warehouse stores. An additional unopened unit is included in the purchase.

Under the terms of the Office Depot/Office Club agreement, which has been approved by the boards of both firms, the 121-unit Office Depot will in effect acquire Office Club. The agreement is expected to be completed this spring.

The 51 Office Club units will continue to operate under their own name. Office Club chairman and ceo Mark D. Begelman will become president and coo of Office Depot, while Depot chairman and ceo David I. Fuente retains his post.

As with recent mergers in other wholesale clubs, the acquisition gives Office Depot entry into a new market, in this case the lucrative West Coast.

In Los Angeles, HQ units will hold clearance sales, and then be converted into Staples units. HQ chairman Robert J. McNulty will serve as a consultant to Staples.

Unlike Office Depot, which is entering a completely new market with its purchase, Staples is expanding an existing presence in the greater Los Angeles area. The acquisition will bring Staples' total units in Los Angeles to 21. Chairman and ceo Thomas G. Stemberg says he plans to have 30 stores in the area by the end of 1991.

SALES

	3rd qtr. (000 omitted)	% change	YTD (000 omitted)	% change
CATALOG STORE CHAINS				
J.C. Penney†	4,247,000	– 1.2	11,882,000	+ 2.9
Sears, Roebuck & Co.	7,826,100	3.1	22,541,800	+ 2.2
Sharper Image	36,142	– 12.8	111,964	– 7.2
DEPARTMENT STORE CHAINS				
Carter Hawley Hale[1]	566,269	– 14.0	566,269	– 14.0
Dillard	873,490	+ 20.1	2,390,436	+ 22.3
Gottschalks	65,243	+ 25.5	179,302	+ 25.1
Jacobson's	88,305	– 3.3	266,532	+ 1.1
R.H. Macy[1]*	1,546,100	– 1.0	1,546,100	– 1.0
May†	2,372,000	+ 5.3	6,751,000	+ 8.2
Mercantile	571,037	+ 2.9	1,580,443	+ 2.7
Neiman Marcus Group[1]	426,096	+ 6.8	426,096	+ 6.8
Nordstrom	634,895	+ 10.9	1,991,703	+ 9.8
Strawbridge & Clothier	232,039	+ 12.2	656,966	+ 9.6
DISCOUNT STORES				
Ames*	718,190	– 38.3	2,205,137	– 36.1
Best Products[2]	442,832	+ 3.1	850,691	+ 3.6
Consolidated	166,774	+ 22.7	465,857	+ 16.3
Dayton Hudson*	3,625,000	+ 12.0	9,874,000	+ 7.8
Dollar General	164,570	+ 13.0	451,348	+ 6.6
Family Dollar[4]	222,728	+ 10.3	874,395	+ 15.5
Hills	557,699	+ 5.9	1,468,475	+ 8.3
Jamesway*	222,203	+ 6.2	633,992	+ 9.6
Kmart	7,493,300	+ 11.7	22,322,500	+ 12.8
L. Luria & Sons	40,331	– 2.3	133,771	+ 3.8
Rose's	346,143	+ 0.2	1,051,570	+ 3.1
Service Merchandise	657,905	+ 5.8	2,032,579	+ 6.7
Venture	338,003	+ 7.7	941,209	+ 7.1
Wal-Mart	7,930,951	+ 26.2	22,242,656	+ 25.6
Pic 'N' Save	105,467	+ 3.8	337,109	+ 13.3
Fred Meyer	541,853	+ 7.5	1,807,261	+ 12.1
SHOE/SPECIALTY CHAINS				
Brown Group†	452,897	– 4.2	1,327,273	– 0.7
Edison Bros.	310,600	+ 17.9	831,600	+ 17.7
Genesco*	118,645	– 7.3	345,736	– 1.9
Melville	2,023,033	+ 10.5	5,590,067	+ 11.0
U.S. Shoe*	674,951	+ 4.4	2,013,128	+ 11.9
Woolworth	2,469,000	+ 14.0	6,725,000	+ 11.6
APPAREL CHAINS				
Bankers Note	11,606	– 3.8	37,604	+ 20.6
Charming Shoppes	218,396	+ 13.4	629,127	+ 11.2
Deb Shops	53,159	+ 8.5	143,791	+ 4.4
Designs	35,632	+ 49.6	80,306	+ 57.3
Fredericks of Hollywood[4]	24,067	+ 24.9	98,573	+ 23.1
Gap	501,690	+ 23.7	1,309,054	+ 25.7
Paul Harris	54,206	– 3.5	158,763	+ 0.6
Limited	1,247,893	+ 12.4	3,509,800	+ 14.5
Merry-Go-Round	161,519	+ 24.2	407,360	+ 38.4
Petrie	290,858	– 2.0	905,327	+ 4.1
Wet Seal	30,462	+ 36.5	78,971	+ 46.3
OFF-PRICE APPAREL				
Burlington Coat Factory[1]	159,591	+ 21.3	159,591	+ 21.3
Clothestime	48,570	– 0.6	152,374	+ 7.2
Dress Barn[1]	78,694	+ 13.5	78,694	+ 13.5
One Price Clothing	25,388	+ 25.2	81,241	+ 36.7
Ross	185,246	+ 5.6	547,029	+ 8.6
S&K*	13,703	+ 4.8	43,943	+ 13.3
Syms*	72,386	+ 9.8	218,690	+ 7.3
TJX†	645,980	+ 14.6	1,732,217	+ 13.2
50-Off Stores†	18,606	+ 43.6	49,334	+ 31.1
WAREHOUSE WHOLESALE CLUBS				
Bizmart	62,571	+114.8	110,916	+127.0
Costco[4]	1,349,565	+ 28.9	4,059,636	+ 37.9
Office Club	73,255	+ 87.9	200,918	+102.2
Office Depot*	165,315	+ 98.2	444,711	+111.0
Price[4]	1,229,909	– 0.8	5,412,320	+ 8.0
Staples*	78,862	+ 59.5	206,879	+ 67.1
Waban	606,183	+ 18.1	1,775,266	+ 18.4
Wholesale Club	176,079	+ 30.5	505,649	+ 34.2

EARNINGS

	3rd qtr. (000 omitted)	% change	YTD (000 omitted)	% change
CATALOG STORE CHAINS				
J.C. Penney†	134,000	– 35.9	371,000	– 18.5
Sears, Roebuck & Co.	89,200	+ 7.6	161,800	– 41.9
Sharper Image	(1,370)	NA	(4,346)	NA
DEPARTMENT STORE CHAINS				
Carter Hawley Hale[1]	(8,670)	NA	(8,670)	NA
Dillard	32,357	+ 33.5	90,489	+ 44.6
Gottschalks	160	NA	495	NA
Jacobson's	277	– 89.5	(1,448)	NA
R.H. Macy[1]*	(66,703)	NA	(66,703)	NA
May†	90	– 7.2	248	+ 6.9
Mercantile	33,568	– 1.6	78,940	+ 1.6
Neiman Marcus Group[1]	10,277	– 13.6	10,277	– 13.6
Nordstrom	20,426	– 7.0	69,519	– 16.7
Strawbridge & Clothier	1,693	– 24.4	3,402	– 38.5
DISCOUNT STORES				
Ames*	(54,219)	NA	(412,662)	NA
Best Products[2]	(33,650)	NA	(59,925)	NA
Consolidated	468	NA	(2,449)	NA
Dayton Hudson*	58,000	– 9.4	175,000	+ 9.4
Dollar General	2,765	+ 0.2	5,724	+ 12.3
Family Dollar[4]	5,689	+ 57.5	28,733	+ 33.5
Hills	(3,990)	NA	(36,116)	NA
Jamesway*	(2,619)	NA	(4,486)	NA
Kmart	105,900	+ 1.7	354,000	+ 3.1
L. Luria & Sons	(1,869)	NA	(2,093)	NA
Rose's	(2,699)	NA	(145)	NA
Service Merchandise	(7,306)	NA	(21,615)	NA
Venture	4,041	NA	8,138	NA
Wal-Mart	282,807	+ 21.5	809,181	+ 24.5
Pic 'N' Save	2,388	– 47.3	(974)	NA
Fred Meyer	3,239	+ 7.4	18,013	+ 11.2
SHOE/SPECIALTY STORES				
Brown Group†	10,018	+ 5.6	23,969	+ 18.5
Edison Bros.	11,300	– 28.5	29,600	– 2.3
Genesco*	(337)	NA	(885)	NA
Melville	64,272	– 13.3	150,333	– 5.5
U.S. Shoe*	3,730	– 79.5	23,015	– 11.4
Woolworth	80,000	+ 14.3	168,000	+ 9.1
APPAREL CHAINS				
Banker's Note	(559)	NA	(263)	NA
Charming Shoppes	8,584	+ 20.8	25,812	+ 0.2
Deb Shops	1,914	+ 0.7	6,287	– 19.2
Designs	1,628	+216.1	226	NA
Fredericks of Hollywood[4]	1,066	+ 37.2	4,242	+ 39.4
Gap	47,726	+ 39.4	88,042	+ 38.8
Paul Harris	(1,390)	NA	(1,964)	NA
The Limited	84,917	+ 0.1	226,257	+ 16.7
Merry-Go-Round	11,441	+ 42.7	23,530	+109.4
Petrie	(4,934)	NA	4,254	– 66.3
Wet Seal	2,627	+ 35.4	6,018	+ 59.8
OFF-PRICE APPAREL				
Burlington Coat Factory[1]	(3,969)	NA	3,969	NA
Clothestime	(83)	NA	17	– 99.6
Dress Barn[1]	4,082	– 7.1	4,082	– 7.1
One Price Clothing	154	– 68.7	2,913	+ 17.1
Ross	206	– 95.1	6,788	– 53.9
S&K*	24	– 92.5	983	– 14.7
Syms*	3,014	+ 5.9	8,784	– 7.2
TJX†	29,841	+ 11.3	58,844	+ 16.1
50-Off Stores†	347	+395.7	1,094	+ 91.6
WAREHOUSE WHOLESALE CLUBS				
Bizmart	317	NA	(798)	NA
Costco[4]	21,917	+ 83.1	49,197	+ 82.2
Office Club	449	NA	1,581	NA
Office Depot*	2,545	+ 56.8	7,027	+ 63.2
Price[4]	31,890	+ 1.6	125,383	+ 7.1
Staples*	1,277	+ 31.6	3,333	+ 50.3
Waban	6,787	+ 8.2	15,027	– 30.4
Wholesale Club	432	+ 24.5	1,776	+ 27.9

SALES

	3rd qtr. (000 omitted)	% change	YTD (000 omitted)	% change
HARD LINES CHAINS				
Best Buy	170,830	+ 28.8	449,077	+ 26.3
Blockbuster Ent.	165,305	+ 55.4	453,432	+ 66.6
Child World	185,590	+ 18.0	466,467	+ 10.0
Circuit City	589,124	+ 12.0	1,637,459	+ 16.5
Claire's	58,115	+ 46.9	166,884	+ 49.2
Computer Factory[4]*	67,632	– 24.8	365,320	– 0.1
Fabri-Centers	96,233	+ 12.0	252,228	+ 10.9
Fretter	53,300	+ 2.7	143,700	– 6.2
Good Guys[4]	78,732	+ 51.1	293,967	+ 50.7
Highland Superstores	193,059	– 9.4	574,864	– 5.4
House of Fabrics	104,360	+ 12.8	278,137	+ 9.8
Lechters	43,544	+ 21.3	113,327	+ 21.0
Lionel	73,268	– 0.3	208,884	+ 3.3
Michaels	85,400	+ 18.6	228,600	+ 23.1
Montgomery Ward	1,251,000	+ 7.0	3,589,000	+ 0.8
Oshman's†	68,836	+ 1.3	221,291	+ 6.1
Pier 1 Imports	145,712	+ 10.9	433,733	+ 14.1
Silk Greenhouse	24,000	+ 9.6	75,800	+ 40.9
Tandy[1]	1,090,286	+ 10.6	1,090,286	+ 10.6
Toys "R" Us	1,052,607	+ 14.9	2,961,443	+ 20.4
Trans World Music	74,432	+ 11.3	218,187	+ 12.2
SUPERMARKETS				
Albertsons	2,102,591	+ 9.2	6,105,307	+ 11.2
A&P	2,610,968	+ 2.4	8,617,952	+ 0.4
American	5,443,766	+ 3.3	16,447,302	+ 3.7
Brunos[1]	568,764	+ 7.1	568,764	+ 7.1
Food Lion	1,319,417	+ 19.3	3,794,869	+ 19.1
Giant Food	757,589	+ 3.1	2,290,852	+ 4.5
Hannaford Bros.*	441,437	+ 11.9	1,253,708	+ 12.4
Ingles Markets[4]	260,491	+ 2.9	1,006,790	+ 11.4
Kroger	5,974,326	+ 8.0	15,275,472	+ 5.7
Penn Traffic*	664,792	– 4.2	2,078,933	+ 8.7
Ralphs Grocery	623,500	+ 7.9	1,867,100	+ 7.4
Safeway	3,456,600	+ 4.4	10,236,700	+ 4.4
Smith Food & Drug	510,166	+ 18.0	1,499,102	+ 19.6
Supermarkets General	1,483,219	– 2.4	4,592,413	– 0.5
Weis Markets	311,185	+ 2.0	943,552	+ 3.1
Winn-Dixie[1]	2,284,662	+ 5.3	2,284,662	+ 5.3
CONVENIENCE STORES				
Casey's General Store[2]*	157,200	+ 23.0	298,700	+ 14.2
Circle K[2]†	991,662	+ 5.8	1,961,462	+ 0.3
Dairy Mart*	216,319	+ 15.8	614,632	+ 10.8
National Convenience[1]	292,203	+ 1.8	292,203	+ 1.8
Southland*	2,256,595	+ 1.2	6,349,049	+ 0.9
Uni-Marts[4]	66,058	+ 10.0	242,819	+ 12.4
DRUG STORES				
Arbor Drugs[1]	92,878	+ 17.3	92,878	+ 17.3
Big B	103,208	+ 14.8	327,347	+ 14.8
Drug Emporium	152,312	+ 26.3	441,595	+ 24.7
Fay's*	166,430	+ 17.6	481,968	+ 16.9
Genovese*	93,461	+ 3.6	318,905	+ 8.2
Perry[4]†	161,424	– 0.4	658,247	– 1.7
Revco[1]†	407,801	+ 4.8	407,801	+ 4.8
Rite Aid*†	858,244	+ 8.4	2,514,936	+ 8.6
Walgreen[1]	1,540,508	+ 11.1	1,540,508	+ 11.1
HOME CENTERS				
Grossman's*	228,996	– 25.2	628,763	– 27.7
Hechinger	351,072	+ 14.0	1,087,291	+ 17.7
Home Depot	936,612	+ 33.9	2,807,814	+ 37.3
Lowe's	708,124	+ 0.8	2,247,084	+ 9.6
Wolohan Lumber	86,465	+ 10.3	227,821	+ 9.9
NON-STORE RETAILERS				
Home Shopping Network[1]†	291,700	+ 14.3	291,700	+ 14.3
Lands' End	145,365	+ 10.5	374,644	+ 8.9
Lillian Vernon	57,053	+ 1.5	112,588	+ 0.2
Spiegel	425,952	+ 14.2	1,219,553	+ 18.9
QVC Network	205,890	+227.6	525,986	+208.9

EARNINGS

	3rd qtr. (000 omitted)	% change	YTD (000 omitted)	% change
HARD LINES CHAINS				
Best Buy	1,307	+ 47.2	928	NA
Blockbuster Ent.	19,178	+ 46.6	47,467	+ 66.4
Child World	(14,357)	NA	(30,311)	NA
Circuit City	4,412	– 69.8	35,492	– 15.9
Claire's	3,581	+ 4.3	10,202	+ 31.9
Computer Factory[4]*	(6,263)	NA	(14,091)	NA
Fabri-Centers	2,962	+ 6.4	2,432	+ 18.2
Fretter	(489)	NA	(2,400)	NA
Good Guys[4]	1,336	+ 48.1	7,368	+ 85.8
Highland Superstores	(4,831)	NA	(13,550)	NA
House of Fabrics	4,518	+ 5.2	7,375	+ 33.7
Lechters	1,636	+ 7.2	2,323	+ 23.4
Lionel	(1,675)	NA	(12,360)	NA
Michaels	578	+ 77.3	1,039	+ 9.8
Montgomery Ward	28,000	+ 3.7	61,000	+ 3.4
Oshman's†	(2,654)	NA	(3,976)	NA
Pier 1 Imports	(1,747)	NA	8,432	– 56.9
Silk Greenhouse	(15,000)	NA	(33,600)	NA
Tandy[1]	52,243	– 16.7	52,243	– 16.7
Toys 'R' Us	28,725	+ 0.1	88,447	+ 11.5
Trans World Music	992	– 47.2	5,042	+ 57.3
SUPERMARKETS				
Albertsons	55,817	+ 20.7	159,891	+ 17.3
A&P	32,050	+ 2.8	119,373	+ 5.4
American	30,906	+ 64.0	96,353	+ 48.2
Bruno's[1]	15,386	+ 20.1	15,386	+ 20.1
Food Lion	40,600	+ 25.8	118,565	+ 27.5
Giant Food	24,901	+ 19.1	79,166	+ 13.7
Hannaford Bros.*	11,504	+ 11.9	33,505	+ 13.3
Ingles Markets[4]	3,555	– 36.2	10,042	– 36.8
Kroger	464	NA	15,457	NA
Penn Traffic*	9,459	– 4.8	35,431	+ 40.3
Ralph's Grocery	(11,400)	NA	(21,900)	NA
Safeway	20,800	+193.0	59,400	+152.8
Smith's Food & Drug	8,620	+ 19.4	25,293	+ 34.2
Supermarkets General	(15,669)	NA	(46,190)	NA
Weis Markets	21,573	+ 1.3	61,740	– 1.0
Winn Dixie[1]	24,393	– 2.6	24,393	– 2.6
CONVENIENCE STORES				
Casey's General Store[2]*	3,789	+ 11.4	5,500	– 5.2
Circle K[2]†	(19,683)	NA	49,874	NA
Dairy Mart*	1,506	+4,758.1	3,614	+829.0
National Convenience[1]	1,050	– 85.8	1,050	– 85.8
Southland*	(122,475)	NA	(302,008)	NA
Uni-Marts[4]	1,065	– 5.1	2,854	+ 0.1
DRUG STORES				
Arbor Drugs[1]	2,663	+ 11.0	2,663	+ 11.0
Big B	(959)	NA	(3,920)	NA
Drug Emporium	1,398	– 0.1	5,442	– 1.6
Fay's*	2,572	+ 3.9	7,301	+ 6.6
Genovese*	983	+ 64.1	2,144	+ 1.4
Perry[4]†	(3,766)	NA	595	– 91.6
Revco[1]†	(26,000)	NA	(26,000)	NA
Rite Aid*†	21,576	+ 23.1	68,300	+ 5.9
Walgreen[1]	32,139	+ 12.1	32,139	+ 12.1
HOME CENTERS				
Grossman's*	6,763	– 48.4	5,589	– 65.8
Hechinger	4,911	– 9.1	24,108	+ 7.1
Home Depot	36,096	+ 40.8	121,952	+ 48.1
Lowe's	14,081	– 30.6	66,023	+ 1.9
Wolohan Lumber	3,955	+ 5.6	9,061	+ 4.7
NON-STORE RETAILERS				
Home Shopping Network[1]†	12,000	– 21.1	12,000	– 21.1
Lands' End	238	– 95.8	(259)	NA
Lillian Vernon	5,837	– 0.3	7,479	– 2.7
Spiegel	10,135	– 6.0	25,560	+ 7.4
QVC Network	(15,609)	NA	(25,950)	NA

N/A = not applicable because of loss in either current or comparable period N/C = no change *before extraordinary items or changes in accounting principles
†continuing operations only [1]first quarter figures [2]second quarter figures [3]third quarter figures [4]fourth quarter figures Source: Company reports

DISMAL HOLIDAY BRIGHT FOR SOME

AGGRESSIVE PROMOTIONS CAST ASIDE GLOOMY FORECASTS

The predictions were that 1990 would go down as one of the worst Christmas selling seasons ever. It was bad, but not as bad as some had feared as many retailers posted December sales gains that were surprisingly strong.

In general, discount stores fared better than department stores. Specialty stores fared even better, especially giants like The Gap and The Limited.

A large share of the gains were achieved by aggressive promotions and discounting toward the end of the season, which could mean that profits will be hard earned from the sales.

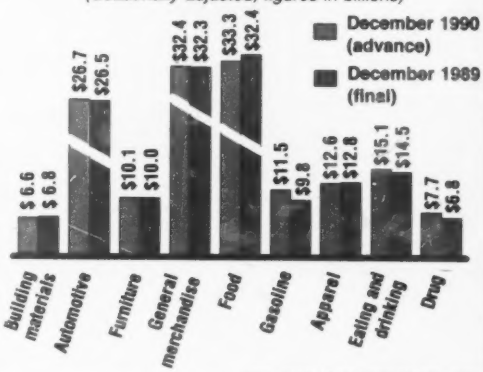
The perennial bellweather of Christmas retailing, Toys "R" Us, posted a 7.7% sales gain during the selling season, but a 6% same-store sales decline.

Toys remains well-financed, however, and intends to "capitalize on its position and continue to expand aggressively in 1991," said Charles Lazarus, chairman and ceo.

Claire's Stores reported a 19% increase to a record $50.7 million for December, but same store sales rose a scant 2%.

DECEMBER SALES

(Seasonally adjusted, figures in billions)



Source: U.S. Department of Commerce

CHAIN PERFORMANCE

Company	December '90 sales (000)	% change	% change comp. stores	YTD sales (000)	% change YTD	% change YTD comp. stores
Sears	$3,892,968	+ 1.4	– 0.3	$31,374,434	+ 2.0	+ 1.8
K mart	4,453,310	+ 4.6	+ 1.2	29,650,088	+10.0	+ 1.8
Wal-Mart	4,640,000	+28.0	+ 6.0	30,104,000	+26.0	+10.0
Penney	2,405,000	+ 1.8	+ 0.1	15,270,000	+ 1.6	+ 0.2
Dayton Hudson	2,260,000	+15.0	+ 2.4	13,520,000	+14.0	+ 4.1
May	1,655,800	+ 9.5	– 0.7	9,422,700	+ 7.4	– 1.0
Melville[1]	1,301,209	+25.6	+11.3	8,682,186	+14.9	+ 9.8
Walgreen[1]	754,845	+10.0	+ 6.2	6,268,891	+11.7	+ 6.9
Woolworth	739,000	+ 5.5	+ 0.7	5,112,000	+ 7.1	+ 3.4
The Limited	922,800	+13.0	+ 4.0	4,941,000	+17.0	+ 3.0
Carter Hawley Hale	355,700	– 1.7	– 3.7	2,174,400	– 0.9	– 1.9
Mercantile	372,416	+ 3.9	+ 1.3	2,217,137	+ 2.1	+ 0.4
Circuit City[2]	417,000	+10.0	– 5.0	N/R	N/R	N/R
Hills	315,500	+ 6.6	+ 5.7	2,047,300	+ 4.8	+ 2.2
The Gap	305,000	+24.0	+12.0	1,794,000	+24.0	+14.0
Rose's	214,694	– 2.2	+ 3.3	1,457,970	+ 2.0	+ 1.0
Neiman-Marcus Group[3]	214,000	+10.0	+ 4.3	832,900	+ 5.6	– 4.0
Venture Stores	233,100	+ 8.4	+ 4.3	1,327,300	+ 6.0	+ 2.2
Edison Bros.[1]	228,700	+22.6	N/R	1,180,000	+18.3	N/R
Charming Shoppes	118,400	+10.0	+ 3.0	828,000	+11.0	+ 4.0
Jamesway	136,911	– 1.0	– 6.0	N/R	+ 6.0	+ 1.0
Ross	115,000	+11.7	– 4.0	752,000	+ 9.5	– 3.0
Dollar General	88,800	+14.1	+ 8.6	606,400	+ 7.4	+ 2.6
Best Buy[4]	126,000	+21.0	N/C	575,000	+24.0	N/R
Gottschalks	55,440	+25.0	+10.2	268,812	+26.8	+12.1
Claire's	50,742	+19.0	+ 2.0	241,402	+37.0	+ 8.0

[1]fiscal year ends Dec. 31 [2]fiscal year ends Feb. 28 [3]fiscal year ends July 31 [4]fiscal year ends Mar. 31 N/R = not reported N/C = no change Source: Company reports

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